Benefits BUZZ

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AxisPointe Benefit Advisors

February 2017

DID YOU KNOW?

Hours after the new Congress convened on Jan. 3, 2017, chairman of the Senate Budget Committee, Sen. Mike Enzi, R-WY, introduced a resolution that serves as Republican lawmakers' first steps to repealing and replacing the ACA.

To overcome a Democratic filibuster in the Senate, Republican lawmakers will have to use a special legislative maneuver, called a budget resolution, to repeal parts of the ACA that have budgetary or tax implications.

Enzi's resolution calls on the Senate to draft and submit a bill to the Budget Committee by Jan. 27, 2017.

New Stand-alone HRA Option Available for Eligible Small Employers

Due to the Affordable Care Act (ACA), most stand-alone health reimbursement arrangements (HRAs)—an HRA that is not offered in conjunction with a group health plan—have been prohibited since 2014. However, on Dec. 13, 2016, the 21st Century Cures Act (Act) was signed into law, which allows small employers that do not maintain group health plans to establish stand-alone HRAs, effective for plan years beginning on or after Jan. 1, 2017.

This new type of HRA is called a "qualified small employer HRA" (or QSEHRA). Like all HRAs, a QSEHRA must be funded solely by the employer. Employees cannot make their own contributions to an HRA, either directly or indirectly through salary reduction contributions. Specific requirements apply, including a maximum benefit limit and a notice requirement.

Who is eligible?
To be eligible to offer a QSEHRA, an employer must meet the following two requirements:

1. The employer is not an applicable large employer (ALE) that is subject to the ACA's employer shared responsibility rules.
2. The employer does not maintain a group health plan for any of its employees.

What is the maximum benefit limit?
The maximum benefit available under the QSEHRA for any year cannot exceed $4,950 (or $10,000 for QSEHRAs that also reimburse medical expenses of the employee's family members). These dollar amounts are subject to adjustment for inflation for years beginning after 2016. Additionally, the maximum dollar limits must be prorated for individuals who are not covered by the QSEHRA for the entire year.

What is the notice requirement?
An employer funding a QSEHRA for any year must provide a written notice to each eligible employee. This notice must be provided within 90 days of the beginning of the year. For employees who become eligible to participate in the QSEHRA during the year, the notice must be provided by the date on which the employee becomes eligible to participate.

Transition Relief Extension
The Act also extends the transition relief under IRS Notice 2015-17, so that it applies with respect to plan years beginning on or before Dec. 31, 2016.

2018 Final Notice of Benefit and Payment Parameters Released

The Department of Health and Human Services (HHS) recently released its final Notice of Benefit and Payment Parameters for 2018, which describes benefit and payment parameters under the ACA for the 2018 benefit year. This notice becomes effective **Jan. 17, 2017**.

The changes included in this final rule will generally apply for the 2018 benefit year. Updated standards included in the final notice relate to the following:

- Cost-sharing annual limits
- Special enrollment periods in the Exchange
- The individual mandate's affordability exemption

The final rule also enhances standards for state-based Exchanges on the federal platform (SBE-FPs) and creates three new sets of six standardized benefit plan options in the federally facilitated Exchange (FFE).

Finally, the rule provides additional clarity on the special enrollment periods available through the FFE, and updates the ACA's current child age rating structure to provide a more gradual transition when individuals move from age 20 to 21.

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HR Brief

Human Resources tips brought to you by
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DID YOU KNOW?

Facebook and Google are each raising their investment in talent recruitment. Both companies are making it easier to match candidates with job openings.

Facebook intends to pair professional profiles with personal ones and allow users to apply to positions directly on its site using their profile data.

Google is developing search capabilities for job boards so potential applicants are immediately shown positions that align with their browsing activity, location and current job title.

Stay Protected From Phone Tax Scams: 5 Red Flags to Avoid

Tax season is fast-approaching, which means big opportunity for scammers. Are you doing everything you can to educate your employees about these risks?

The Internal Revenue Service (IRS) published five common tactics used by scam artists over the phone. Keep an eye out for these strategies in case you're targeted this tax season.

Phone Call Demanding Immediate Payment
The IRS will never call you demanding an immediate payment, nor will the agency call without first mailing you a paper bill.

Requiring Specific Tax Payment Method
You will never be given just one option for paying your taxes. Scammers often claim that only prepaid debit cards are accepted.

Demanding Payment Without Chance to Appeal
You always have the opportunity to appeal or question the amount you're billed by the IRS.

Asking for Account Numbers
The IRS will not ask for any credit, debit or Social Security numbers over the phone.

Threatening to Involve Local Police
Scammers might threaten to have local police arrest you for unpaid taxes, but this is just a bluff.

If you encounter any of these scenarios, you are likely being scammed. If you ever feel uncomfortable or uncertain about a phone call from the IRS, it is better to just hang up than risk being conned. You can always call the IRS to verify a legitimate payment issue.

Utilize these key resources to ensure you are not being taken advantage of:

- If you owe or think you might owe taxes, or if you want to verify a phone solicitation, call 1-800-829-1040.
- If you know or suspect a scam attempt, report it at 1-800-366-4484 or www.tigta.gov.

Employee Leave-sharing and Donation Programs

Employer-sponsored **leave-sharing** programs enable employees to share their paid leave time with other employees who need additional time off.

Employer-sponsored **leave-donation** programs allow employees to forgo their paid leave time in exchange for cash donations made by the employer to charities.

Tax Considerations

- Unless the program meets IRS guidelines, the donated leave will be taxable to the donor employees.
- The IRS has approved leave sharing for medical emergencies and major disasters.
- The IRS has approved leave donation for specific events, including Hurricane Matthew.

For more information on these programs, please visit www.irs.gov.

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